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BUSINESS | DAILY NORTH CAROLINA DIGEST

11/02/17

Good morning. For those who didn't stay up late, the Houston Astros beat the Los Angeles Dodgers to win their first World Series. It's a nice psychological boost for the nation's fourth largest city, which bore the brunt of Hurricane Harvey. The storm caused \$180 billion in damage statewide, much of it in Houston, according to a new estimate released Wednesday by Texas Gov. Greg Abbott during **a visit** to Washington D.C. It's unclear how much federal money will go to the Lone Star State. But secession talk, which has been a popular topic there for years, isn't getting much play these days.

Dave

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Benchmark Litigation names Brooks Pierce
“North Carolina Law Firm of the Year (s)”

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First Citizens wants KS Bancorp

We wrote previously on the Holding banking family's desire to buy KS Bancorp, a small bank based in Johnston County, for \$46 million. KS rebuffed the bid, but the Holdings' First Citizens Bancshares aren't giving up efforts to acquire up to 80% of KS, according to a Federal Reserve Bank filing. KS, which stands for Kenly Savings, has about \$360 million in assets, while First Citizens is the nation's largest family owned bank with \$34 billion in assets. Read more about the takeover fight [here](#).

UNC board giving Carolinas HealthCare deal a close look

The UNC Board of Governors is taking a close look at the proposed combination of Carolinas HealthCare System and UNC Health Care, potentially setting up some interesting negotiations, sources familiar with the matter say. While the board can't legally block the deal, it can work with the N.C. General Assembly to exert considerable influence at UNC Health Care, the sources say. (The BOG and Republican-led state legislature are joined at the hip these days, with many former lawmakers or current lobbyists serving on the board.) Separately, N.C. Attorney General Josh Stein, a Democrat, said last week he's **studying** the deal.

Under terms explained by the systems, no assets or money is changing hands as part of the proposed combination.

One issue raised by BOG members is the greater relative **profitability** of UNC versus much-larger CHS. The Charlotte-based system's profit from operations declined 25% to

\$141 million in the first half of this year because of lower reimbursements and higher costs. It had big investment gains for a net profit of \$542 million. UNC, with less than half the revenue of CHS, had net income of \$231 million in 2016. It hasn't reported its 2017 results. Private hospital operators are paying top dollar as the industry consolidates. Franklin, Tenn.-based Community Health Systems has sold or plans to sell about 30 hospitals for 9 to 12 times earnings before interest, taxes, depreciation and amortization, **according** to *Modern Healthcare* magazine. In July, industry giant Hospital Corp. of America bought three Tenet hospitals in Houston for about 9.5 times EBITDA. CHS and UNC officials have promoted their transaction as a strategic move to offer rural patients better health care and enable CHS to better market the UNC brand, the magazine noted.

Read more here: <http://www.newsobserver.com/news/politics-government/article181038841.html#storylink=cpy>

Today's number: 49

U.S. ranking for gender equality in business and political representation, among 144 nations, according a World Economic Forum **study**. The U.S. ranking in 2006 was 23rd. Lack of women in top government posts is a key weakness.

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Siskey's investors get a glimpse of the cost of Ponzi scheme

(Charlotte Observer)

Investors bilked by Rick Siskey in a long-running Ponzi scheme have gotten their first look at a bankruptcy court analysis of what they may eventually be paid, depending on what a trustee can accumulate. Siskey, a prominent Charlotte financial planner, committed suicide in December 2016 after court filings revealed he was being investigated for fraud.

MetLife teaming with startup accelerator Techstars for Cary program

(Triangle Business Journal)

MetLife is pairing up with premier startup accelerator Techstars to create a digital accelerator at the insurer's "Global Innovation Center" in Cary. MetLife hopes to foster innovation in the insurance industry by helping startups.

Alexandria Real Estate execs expect RTP agtech explosion

(Triangle Business Journal)

Alexandria Real Estate executives, who plan to develop an agtech "mega campus" at Research Triangle Park, say they expect the Triangle to become key to innovation in agriculture. Dean Shigenga, the company's chief finance officer, said the region would, "be the center of the universe for agtech and new innovation in ag."

Dominion execs say Atlantic Coast Pipeline's on track

(Triangle Business Journal)

Dominion Energy CEO Tom Farrell told analysts this week his company and partner Duke Energy expect to receive needed permits from state regulators by the middle of December so they can move forward with the Atlantic Coast Pipeline. The 600-mile pipeline is meant to carry natural gas.

Charlotte home buyers and sellers aren't happy despite hot market

(Charlotte Observer)

Charlotte home buyers and sellers are both feeling stuck as prices rise. The problem boils down to reluctance on the part of some potential sellers to move because of a lack of comparable housing in their price range. That conundrum is increasingly a national issue.

Raleigh tech company lands on LinkedIn list, plans expansion

(Raleigh News & Observer)

Pendo, a website analytics firm based in downtown Raleigh, ranked 42nd on a list by LinkedIn of the top industry disruptors of 2017. The company plans to double in size in the next year by adding about 150 jobs.

Wilmington builder gets shot at NASA work

(Wilmington Star-News)

Wilmington builder Civil Works Contracting has been chosen as one of 24 contractors to bid on work at NASA facilities throughout the Southeast.

Financial technology firm plans Triangle expansion

(Triangle Business Journal)

Lighthouse Networks, an Allentown, Pa., financial technology firm, plans to add more than 50 jobs in the Triangle and relocate its local office to Perimeter Park in Morrisville. The company is a credit card processor and point-of-sale system manufacturer.



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